

CORPORATE SOCIAL RESPONSIBILITY IN THE SERVICE SECTOR: A STUDY OF INFOSYS

CMA.DR. CHITTA RANJAN SATAPATHY, DR. MINATI DAS

PROFESSOR, NIIS INSTITUTE OF BUSINESS ADMINISTRATION, BHUBANESWAR

ASSOCIATE PROFESSOR, NIIS INSTITUTE OF BUSINESS ADMINISTRATION, BHUBANESWAR

ABSTRACT

Corporate Social Responsibility (CSR) has emerged as a critical strategic function in the service sector, particularly in information technology companies where intellectual capital, stakeholder trust, and sustainable development are key determinants of organizational success. This study examines the CSR initiatives of Infosys and evaluates their impact on society, business sustainability, and stakeholder relationships. The research adopts a descriptive and analytical approach using secondary data collected from annual reports, sustainability reports, CSR disclosures, and published literature. The findings reveal that Infosys has integrated CSR into its business philosophy through education, healthcare, environmental sustainability, women empowerment, digital inclusion, and rural development programs. The company spent approximately 526 crore on CSR activities in FY 2024-25, while global CSR expenditure reached 628 crore. More than 10 million beneficiaries in India and over 125 million lives globally have been positively impacted through technology-driven social initiatives. The study concludes that Infosys represents a benchmark model of CSR implementation in the service sector, demonstrating how responsible business practices can generate social value while enhancing corporate reputation and long-term competitiveness.

Keywords: Corporate Social Responsibility, Service Sector, Infosys, Sustainability, Stakeholder Theory, ESG

1. INTRODUCTION

Corporate Social Responsibility refers to the ethical obligation of businesses to contribute to economic development while improving the quality of life of employees, local communities, and society at large. In today's competitive environment, CSR has evolved beyond philanthropy and has become a strategic tool for achieving sustainable growth.

The service sector, especially the Information Technology (IT) industry, plays a significant role in economic development. Unlike manufacturing industries, service organizations create value primarily through knowledge, innovation, and human capital. Therefore, their CSR activities focus heavily on education, skill development, digital inclusion, healthcare, and environmental sustainability.

Infosys, one of India's leading IT service companies, has been recognized globally for its commitment to CSR and sustainability. Through the Infosys Foundation and various ESG initiatives, the company has invested substantially in social development projects across India and abroad.

2. OBJECTIVES OF THE STUDY

The major objectives are:

1. To understand the concept of CSR in the service sector.
2. To analyze CSR initiatives undertaken by Infosys.
3. To examine the impact of CSR on society and stakeholders.
4. To evaluate CSR expenditure and performance.

To identify challenges and future opportunities.

3. RESEARCH METHODOLOGY

Nature of Study

Descriptive and analytical.

Sources of Data

- Infosys Annual Reports
- Infosys ESG Reports
- Infosys Foundation Reports
- Journals and research papers
- Government CSR guidelines

Data Collection

Secondary data collected from publicly available sources.

Tools Used

- Trend analysis
- Comparative analysis
- Percentage analysis
- Graphical representation

4. LITERATURE REVIEW

Carroll (1991)

Proposed the CSR Pyramid comprising economic, legal, ethical, and philanthropic responsibilities.

Freeman (1984)

Introduced Stakeholder Theory emphasizing the importance of balancing stakeholder interests.

Porter and Kramer (2006)

Suggested that CSR can create shared value by aligning social and business objectives.

Contemporary CSR Studies

Recent studies indicate that CSR improves corporate image, customer loyalty, employee engagement, and sustainability performance.

5. CORPORATE PROFILE OF INFOSYS

Founded in 1981, Infosys is among the world's leading IT consulting and digital services companies.

Key Facts

Particulars	Details
Founded	1981
Headquarters	Bengaluru, India
Industry	Information Technology Services
Employees	300,000+ (approx.)
Global Presence	50+ countries
CSR Arm	Infosys Foundation
Infosys believes in creating sustainable value through technology, innovation, and social responsibility.	

6. CSR FRAMEWORK OF INFOSYS

Infosys implements CSR through:

A. Education

- Digital learning platforms
- Scholarships
- STEM laboratories
- Teacher training

B. Healthcare

- Hospital infrastructure
- Medical equipment
- Rural healthcare

C. Women Empowerment

- Skill development
- Entrepreneurship support

D. Environmental Sustainability

- Carbon neutrality
- Water conservation
- Renewable energy

E. Rural Development

- Community infrastructure
- Livelihood programs

F. Digital Inclusion

- Infosys Springboard
- Digital literacy initiatives

7. CSR PERFORMANCE OF INFOSYS

Table 1: CSR Performance Indicators

Indicator	FY 2023-24	FY 2024-25
Global CSR Spending	450.76 Cr	523.70 Cr
Beneficiaries in India	11 Million	10 Million+
Lives Impacted Through Tech for Good	119 Million+	125 Million+
Digital Learners Enabled	11.75 Million	13.3 Million

Source: Infosys Annual and ESG Reports.

Here is a summary of the Corporate Social Responsibility (CSR) expenditure of Infosys over the last five financial years, based on its annual reports and CSR disclosures.

Infosys CSR Expenditure (Last 5 Years)

Financial Year	CSR Expenditure (in Crore)
FY 2020-21	325.32
FY 2021-22	344.91
FY 2022-23	391.51
FY 2023-24	450.76
FY 2024-25	523.70

Sources: (Infosys Annual Reports and CSR disclosures

Year-on-Year Growth

Year	CSR Spending (₹ Cr)	Growth
FY21	325.32	—
FY22	344.91	6.0%
FY23	391.51	13.5%
FY24	450.76	15.1%
FY25	523.70	16.2%

Key Observation

Infosys has steadily increased its CSR spending from **325.32 crore in FY21** to **523.70 crore in FY25**, representing an overall increase of approximately **61% over five years**. The largest annual CSR spending was recorded in FY2024-25.

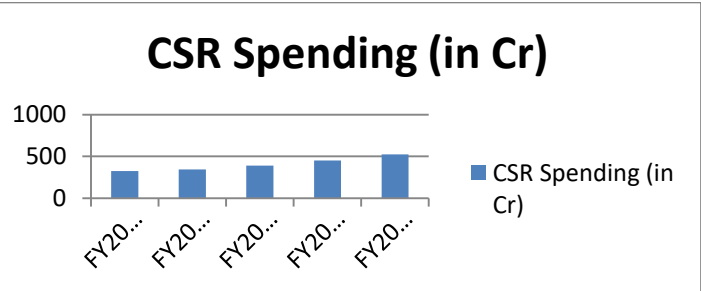
Infosys CSR Spending vs Profit After Tax (PAT)

Financial Year	CSR Spending (in Cr)	Profit After Tax (in Cr)	CSR as % of PAT
FY2020-21	325.32	19,351	1.68%
FY2021-22	344.91	22,110	1.56%
FY2022-23	391.51	24,108	1.62%
FY2023-24	450.76	26,248	1.72%
FY2024-25	523.70	26,750	1.96%

(PAT figures are consolidated profit after tax reported by Infosys and financial databases. CSR figures are from Infosys CSR disclosures and annual reports.)

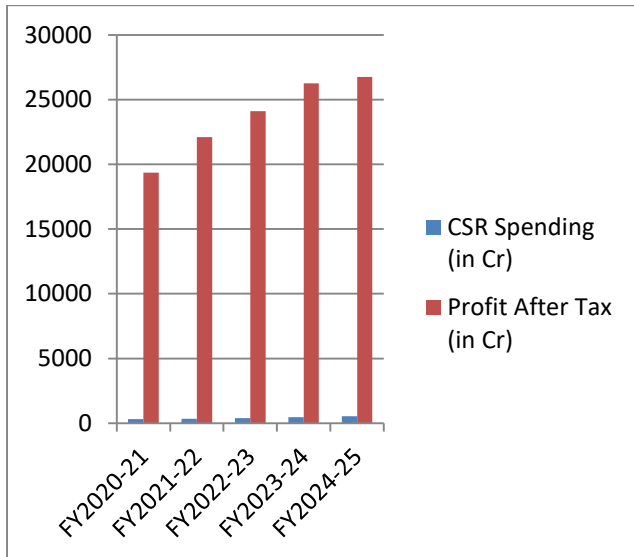
Infosys CSR Spending (FY21–FY25)

Annual CSR expenditure in crore.

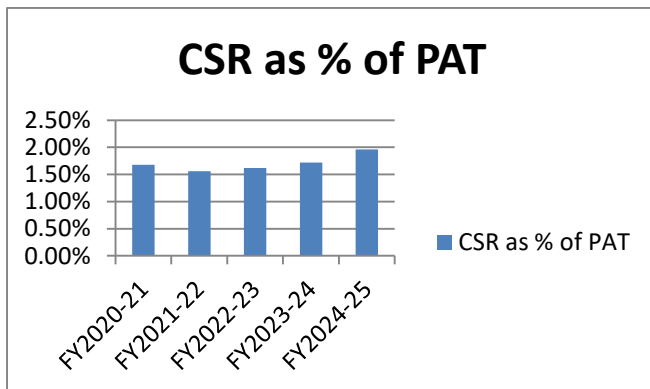


CSR Spending Trend

CSR Spending vs Profit After Tax Comparison Chart



(Infosys CSR Spending as a percentage of PAT)



CSR Spending as a percentage of PAT

Key Findings

- CSR spending increased from **Rs.325.32 crore** in FY21 to **Rs.523.70 crore** in FY25, a growth of about **61%**.
- PAT increased from approximately **Rs.19,351 crore** to **Rs.26,750 crore** over the same period.
- CSR expenditure remained close to the statutory requirement of about **2% of average net profits**, reaching nearly **1.96% of PAT** in FY25.

8. MAJOR CSR INITIATIVES OF INFOSYS

8.1 Education Development

Education remains the largest focus area.

Major initiatives include:

- Infosys Springboard
- STEM laboratories
- Digital learning programs
- Scholarship programs

Over 13.3 million learners have been enabled through digital skills initiatives. The company has also supported STEM laboratory projects across schools in India.

Impact

- Increased digital literacy
- Enhanced employability
- Improved access to quality education

8.2 Healthcare Initiatives

Infosys Foundation supports:

- Hospital construction
- Medical equipment procurement
- Eye-care projects
- Maternal healthcare

Several large-scale projects involve advanced healthcare equipment and community healthcare infrastructure.

Impact

- Better healthcare access
- Reduced disease burden
- Improved maternal and child health

8.3 Environmental Sustainability

Infosys is recognized as a sustainability leader.

Key Achievements

- Carbon neutral for six consecutive years.
- 77.7% renewable electricity usage in India.
- 100% wastewater recycling.
- 98% waste diversion from landfills.
- Lake rejuvenation projects across India.

Figure 3: Environmental Achievements

Indicator	Performance
Carbon Neutrality	6 Years
Renewable Electricity	77.7%
Wastewater Recycled	100%
Waste Diverted from Landfills	98%

(Source: ESG Report 2024-25.)

8.4 Women Empowerment

Programs focus on:

- Education
- Entrepreneurship
- Vocational training
- Economic inclusion

These initiatives improve social mobility and financial independence among women.

8.5 Employee Volunteering

Infosys promotes volunteerism through employee engagement programs.

Statistics

Indicator	FY25
Volunteer Hours	130,000+
Employees Participating	34,000+

9. ANALYSIS OF CSR EXPENDITURE

According to statutory disclosures, Infosys spent approximately ₹526.26 crore on CSR activities during FY 2024-25. The remaining unspent amount related to ongoing projects is to be utilized in accordance with CSR regulations. Additionally, global CSR programs expanded through international foundations and educational initiatives.

Sector-wise Focus

Area	Priority Level
Education	Very High
Healthcare	High
Environment	High
Rural Development	Medium
Women Empowerment	Medium
Culture and Heritage	Medium

10. IMPACT OF CSR ON STAKEHOLDERS

Impact on Society

- Better educational access
- Improved healthcare services
- Increased digital literacy
- Environmental conservation

Impact on Employees

- Higher morale
- Better engagement
- Strong organizational culture

Impact on Customers

- Increased trust
- Positive corporate image

Impact on Investors

- Enhanced ESG performance
- Sustainable long-term growth

11. SWOT ANALYSIS OF INFOSYS CSR

Strengths

- Strong leadership commitment
- Dedicated Infosys Foundation
- Significant CSR investment
- Global outreach

Weaknesses

- Measuring long-term impact remains challenging
- Dependence on partner organizations

Opportunities

- AI-driven education
- Rural digital transformation
- Green technology initiatives

Threats

- Rising social expectations
- Regulatory changes
- Economic uncertainties

12. FINDINGS OF THE STUDY

1. Infosys is among the leading CSR performers in the Indian service sector.
2. Education and healthcare constitute the largest share of CSR activities.
3. CSR spending has shown an increasing trend.
4. Sustainability initiatives have strengthened Infosys's ESG performance.
5. Technology-based interventions significantly enhance social impact.
6. CSR contributes positively to stakeholder trust and brand reputation.
7. Employee volunteering has become an important component of social engagement.

13. SUGGESTIONS

1. Increase investment in rural digital infrastructure.
2. Expand AI-based education programs.
3. Strengthen CSR impact assessment frameworks.

4. Improve transparency in project-level reporting.
5. Collaborate with governments and NGOs for greater reach.
6. Focus more on climate resilience projects.

14. CONCLUSION

Corporate Social Responsibility has become a strategic necessity in the service sector. The case of Infosys demonstrates that CSR can simultaneously generate social value and business value. Through substantial investments in education, healthcare, sustainability, women empowerment, and digital inclusion, Infosys has established itself as a model corporate citizen.

The study concludes that Infosys successfully integrates CSR with its corporate strategy and stakeholder expectations. Its commitment to sustainability, ethical governance, and community development illustrates how service-sector organizations can contribute meaningfully to national and global development goals while maintaining competitive advantage. Continued innovation in CSR practices will further strengthen Infosys's role as a leader in responsible business and sustainable development.

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